

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1283

2001 HOUSE EDUCATION

HB 1283

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1283

House Education Committee

☐ Conference Committee

Hearing Date 01/22/01

Tape Number	Side A	Side B	Meter #
#2	X		2529 to 3129
		X	1 to 627
Committee Clerk Signature <i>[Signature]</i> <i>[Signature]</i>			

Minutes:

Chairman R. Kelsch, Vice-Chair T. Brusegaard, Rep. Bellew, Rep. Grumbo, Rep. Haas, Rep. Hanson, Rep. Hawken, Rep. Hunsakor, Rep. Johnson, Rep. Meier, Rep. Mueller, Rep. Nelson, Rep. Nottestad, Rep. Solberg, Rep. Thoreson

Chairman Kelsch: We will now open the hearing on HB1283

Rep. Eckstrom: (District 11) *Please refer to attached testimony*

Rep. Brusegaard: To be eligible for the program, it says in the bill, you had to have attended an institution of higher education in the state, so if you move out of the state after you graduate, you're still eligible for the program?

Rep. Eckstrom: That is correct.

Rep. Brusegaard: Would you be opposed to restructuring the bill so that it makes only students who stay in our state, eligible for the program?

Rep. Eckstrom: The problem has been more the students that have left us. Getting them back is key to development, according to the companies I've talked to. We're obviously anxious for folks to stay and not go in the first place, but they've indicated to me that they've had a difficult time filling the positions they have now.

Tracy Porter: (Chief Financial officer with NISC) We are a software developer for rural electric and telephone company all across the nation. One of my duties outside of the finance area is recruiting. I go to the college campuses and try to recruit them to work for us, it's been a challenge; it's been getting better, because more students are going into IT, but we would support any bill that gives incentive to these students to stay in ND. Either with Job Service or the Bank of ND, we have worked with both of those agencies, and they are absolutely outstanding agencies to work with.

Tom Peterson: (Division director with Job Service) We are in support of the bill and for the amendment. It took us by surprise when we found out that we were going to be responsible for a buydown program, because basically that isn't our business, but since that matter has been straightened out, we do support this bill.

Chairman Kelsch: Anyone here from the Bank of ND?

Julie Kubisiak: (Director of Student Loans of ND of Bank of ND)

Chairman Kelsch: What type of impact do you think that it would have on your student loan fund and the repayment? Basically what is this bill going to do?

Kubisiak: I think that this is a positive move for students and are in the technology field. At this point the Bank of ND does not track the occupation that the student may go into. We have a phenomenal record of student loan repayment, we've always had a very low default rate.

Chairman Kelsch: Are you comfortable, then, to administer this type of a program?

Kubisiak: This wouldn't create a problem at all for the Bank of ND.

Rep. Brusegaard: The fiscal note for the bill was prepared by Job Service, and they didn't feel qualified to put cost on it, understandably so. What kind of cost would be involved to the banks?

Kubisiak: It would just be a matter of identifying those students and tracking them. We deal with different interest rates currently, we have variable rates and set rates, so I don't think that it would create a problem at all for us.

Rep. Brusegaard: Could you ball park a guess?

Kubisiak: I'm sorry, I wish I could.

Rep. Hunsakor: If you were going to decrease the interest rate on a number of loans, would that in term, increase the interest rate of other students?

Kubisiak: The interest rates for the student loan program, it's a federal loan program, so those are set on an annual basis, variable interest rates, at this point in time, there is no change.

Chairman Kelsch: We will now close the hearing on HB1283.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1283 b

House Education Committee

☐ Conference Committee

Hearing Date 2-19-01

Tape Number	Side A	Side B	Meter #
I		xx	660--1633
Committee Clerk Signature <i>Pam Dever</i>			

Minutes: Chair Kelsch opened up discussion on HB1283.

Rep. Brusegaard : I have amendments for us to look at. **I move these amendments.**

Rep. Hawken : **I second.**

VOICE VOTE: ALL YES. Motion carried.

Rep. Hawken : **I move a DO PASS AS AMENDED.**

Rep. Mueller : **I second.**

VOTE: 11 YES and 3 NO with 1 absent. PASSED. Rep. Hawken will carry the bill.

FISCAL NOTE
Requested by Legislative Council
03/19/2001

Bill/Resolution No.:

Amendment to: Engrossed
 HB 1283

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$0		\$0	
Expenditures			\$0		\$0	
Appropriations			\$0		\$0	

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB1283, first engrossment with Senate amendments, provides that the student grant programs line item included in SB2003 includes \$400,000 for the technology occupations student loan program. Currently, Engrossed SB2003 does NOT provide increased or earmarked funding for this program. If HB1283 passes, and if no additional funds are added to SB2003, funds would have to be reallocated within the student grant programs line item to support this program. This will result in a reduction in other student grant appropriations in SB2003 for the State Grant Program, Scholar's Program, Professional Student Exchange Program for veterinary medicine, optometry and dentistry and the Indian Scholarship Program.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and*

appropriations.

Name:	Laura Glatt	Agency:	North Dakota University System
Phone Number:	328-4116	Date Prepared:	03/21/2001

FISCAL NOTE
Requested by Legislative Council
02/20/2001

Bill/Resolution No.:

Amendment to: HB 1283

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1283 calls for an interest rate subsidy for persons who: 1) are a current resident of this state; or 2) attended an institution of higher education in this state; and, 3) are employed in a technology occupation in this state which has been designated by Job Service.

From what we have been able to determine, Job Service has not defined "technology" occupations, and in fact, would likely need to put a great deal of effort into such a definition because of the evolving nature of "technology", nor do they have any idea how many people would be affected.

Since existing Bank systems do not support such a system of rate reductions, we would likely be looking at some sort of database application.

The benefits of this legislation are not limited to Bank of North Dakota borrowers, therefore, we would need to be able to make payments to other lenders.

The benefits of this legislation are not limited to future borrowers; existing borrowers would also be eligible.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

n/a

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

This bill contains no appropriation of monies. If the Bank of North Dakota is to fund it, we are concerned about the level of funding it will require and the impact on future earnings of the Bank.

For each 1,000 students eligible for these benefits, we estimate our costs for the biennium to be: Labor (1 FTE) - \$63,000; Operations costs - \$9,600; and Interest benefits - \$139,000, for a total of \$211,600.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

None of these expenditures have been included in the appropriations requests of the Bank of North Dakota.

Name:	Al Nosbusch	Agency:	Bank of North Dakota
Phone Number:	328-5742	Date Prepared:	02/20/2001

FISCAL NOTE

Requested by Legislative Council
01/17/2001

Bill/Resolution No.: HB 1283

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

An appropriation to finance administrative costs and interest buy-down costs will be necessary. Job Service cannot estimate the amount of administrative or interest buy-down costs at this time. Job Service has no experience in administering a program of this nature. If Job Service is to be the administrator for this program, additional time will be needed to determine the program costs.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Wayne Kindem	Agency:	Job Service North Dakota
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Phone Number: 328-3033

Date Prepared: 01/19/2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1283

Page 1, line 2, remove "to be administered by job service North Dakota"

Page 1, line 6, replace "Job service" with "The Bank of" and after "Dakota" insert ", in cooperation with job service North Dakota,"

Page 1, line 18, replace "Job service" with "The Bank of"

Renumber accordingly

Date: 2/19/01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1283

House House Education Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number 10570.0101

Action Taken Do Pass As Amended

Motion Made By Rep Hawken Seconded By Rep Mueller

Representatives	Yes	No	Representatives	Yes	No
Chairman-RaeAnn G. Kelsch	✓		Rep. Howard Grumbo	✓	
V. Chairman-Thomas T. Brusegaard		✓	Rep. Lyle Hanson		
Rep. Larry Bellew		✓	Rep. Bob Hunsakor	✓	
Rep. C.B. Haas	✓		Rep. Phillip Mueller	✓	
Rep. Kathy Hawken	✓		Rep. Dorvan Solberg	✓	
Rep. Dennis E. Johnson	✓				
Rep. Lisa Meler	✓				
Rep. Jon O. Nelson		✓			
Rep. Darrell D. Nottestad	✓				
Rep. Laurel Thoreson	✓				

Total (Yes) 11 No 3

Absent 1

Floor Assignment Rep. Hawken

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1283: Education Committee (Rep. R. Kelsch, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (11 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). HB 1283 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "to be administered by job service North Dakota"

Page 1, line 6, replace "Job service" with "The Bank of" and after "Dakota" insert ", in cooperation with job service North Dakota,"

Page 1, line 18, replace "Job service" with "The Bank of"

Renumber accordingly

2001 SENATE EDUCATION

HB 1283

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1283

Senate Education Committee

☐ Conference Committee

Hearing Date 03-05-01

Tape Number	Side A	Side B	Meter #
1	x		46.5 - end
1		x	0 - 15.6
2	x		16.0 - 18.1
1 (03-13-01)	x		5.6 - 46.7
2(03-14-01)	x		20.9 - 33.5
Committee Clerk Signature <i>Sandra Johnson</i>			

Minutes: CHAIRMAN FREBORG opened the hearing on Engrossed HB 1283 which provides for a student loan interest buydown program for employees in technology occupations.

Testimony in support of HB 1283:

REPRESENTATIVE MARY EKSTROM, District 11, presented testimony in support of the bill. (see attached). Included in her testimony were letters of support from: (see attached)

Don Morton, Great Plains, Assistant to the CEO

Lee Kaldor, ComMark, Inc., Operations Director

Justin Schardin, Sundog Interactive, COO

The House amended the bill to state the Bank of North Dakota would be the administrator of the loan buydown program.

SENATOR COOK asked if this applies only to residents of ND. REP. EKSTROM stated it would apply to a current resident or one who has moved away and now has come back and is

now a resident. SENATOR COOK asked why the salaries aren't raised high enough to bring our young people back to ND. REP. EKSTROM stated that the salaries in the technology industry are competitive to the area they are in. In preparing this bill, she spoke with ND Job Service. She stated that Job Service can identify a narrow range of workers that these industries are seeking.

ARNOLD THOMAS, ND Healthcare Assn, stated they looked at this legislation as an incentive to replace current employees down the road as they retire, or they hire new employees. In looking to attract and retain qualified people in the industry, the buy down option is attractive.

Testimony in opposition to HB 1283:

JULIE KUBISIAK, Director- Student Loans of ND, presented testimony in opposition to HB 1283. (see attached) Her main concern is the cost to the Bank of ND.

Neutral testimony on HB 1283:

LT. GOVERNOR JACK DALRYMPLE gave testimony on the bill. He stated the governor's budget includes relief for students in the technology area, mostly for students in technology courses who take summer jobs in the industry and ultimately accept employment with those same employers upon graduation. North Dakota has a low percentage of students preparing for higher paying technology jobs in the job market. The Governor's program also would reward those who stay in the state for work. However, the Senate Appropriation's committee took the grant monies out of the governor's budget for the Board of High Education. They felt this sounded a lot like EPSCORE, which received a large increase in funding this biennium.

Therefore, they felt this was a good place for budget reduction. The governor's committee will be going in front of the House Appropriations committee in 2003 and ask that they restore the \$360,000 which represents 60 students at a forgiveness of \$3000 apiece. The governor's office

felt this should be in the Board of Higher Ed's hands because it is the kind of program which will need an extensive set of rules. It had been envisioned as a Higher Ed program. After discussion, Lt. Gov. Dalrymple stated he would draft an amendment and present it to the committee consideration. They would like to keep this concept alive and are optimistic that the appropriation will be restored in 2003. SENATOR COOK asked Lt. Gov. Dalrymple what the "definition" of technology is as he sees it. Lt. Gov. Dalrymple stated there are others who would be able to define it best.

Having no further testimony, the hearing was closed.

CHAIRMAN FREBORG stated if there is support, the committee can wait to act on the bill. After discussion, it was decided to wait for the Lt. Governor to draft an amendment before going forth on the bill.

03-13-01, Tape 1, Side A, 5.6 - 46.7

SENATOR FREBORG presented an amendment (10570.0201) which buys down the principal of a student loan at \$1000 per year for a maximum of 5 years. Board of Higher Ed would still control the grants. Discussion on what bill does. SENATOR COOK stated that he reads this to say that to qualify for the grant, an applicant must have received a scholarship grant under Subsection 2. So it sounds like at first they get the scholarship grant and then, if they meet the qualifications that scholarship grant requires, they may then start to have the grant money distributed. JENNIFER CLARK, Legislative Council, came to the committee to answer questions. She stated this amendment provides at least a two-prong program, one during an internship program and the second to help repay the student loan after finding employment. SENATOR KELSH asked if there are two different distributions of funds. She stated yes. One is to help during course work and the other is after graduation to repay loans. SENATOR

COOK moved to adopt the amendments. Motion died for lack of a second. The committee wants the bill to read there would be a buydown on a loan after graduation if the graduate has met the criteria listed. The student would have to apply for the program when they are in school. SENATOR COOK feels the program should be for North Dakota students. SENATOR CHRISTENSON feels ND students should be given preferential treatment as to getting in the program. MS. CLARK stated this is only for students who have loans at the Bank of ND. This may be an opportunity for the Board to limit the program to ND students or whatever they want. MS. CLARK stated she will provide an amendment to state the intent of the committee and will work with Senator Cook during the drafting. It will be ready in a couple of days.

03-14-01, Tape 2, Side A, 20.9 - 33.5

SENATOR COOK stated he thought the bill, as written, had two different funding mechanisms and a student could obtain in excess of \$10,000. He presented an amendment which states the Board of High Education will set up the student loan /grant program, adopt the rules, and distribute the grants through the Bank of ND. The maximum loan grant amount would be \$5000. The monies for this program would come from the grant line item in the governor's budget.

SENATOR COOK moved to adopt the amendment (10570.0204). (see attached). Seconded by SENATOR CHRISTENSON. Roll Call Vote: 6 YES. 0 NO. 1 Absent. Amendment adopted.

SENATOR COOK moved a DO PASS as Amended. Seconded by SENATOR CHRISTENSON. Roll Call Vote: 6 YES. 0 NO. 1 Absent. Motion Carried.
Carrier: SENATOR COOK

March 7, 2001

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1283

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a technology occupations student program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Technology occupations student program.

1. The state board of higher education shall administer a technology occupations student program that encourages college students to pursue technology-based studies, to participate in board-approved internship programs with technology businesses, and to remain in the state after graduation. The board shall adopt rules to implement the program, including internship requirements, guidelines to determine which courses are eligible for scholarship and student loan grants, and standards for eligibility.
2. The state board of higher education shall distribute scholarship grants to qualified applicants to offset college tuition costs for technology-related courses. The maximum scholarship grant amount for which an applicant may qualify is one thousand dollars per year. To qualify for a scholarship grant, an applicant must maintain a 3.0 grade point average, based on a 4.0 grading system, at a board-approved college, must be actively participating in a board-approved internship program with a technology business in the state, and must meet any requirements established by rule.
3. The state board of higher education shall distribute student loan grants to qualified applicants to repay outstanding student loan principal balances at the Bank of North Dakota. The maximum student loan grant amount for which an applicant may qualify is one thousand dollars per year for a maximum of five years. To qualify for a student loan grant, an applicant must have received a scholarship grant under subsection 2, must be a college graduate, must be employed in the state in a technology occupation, and must meet any requirements established by rule.

SECTION 2. TECHNOLOGY OCCUPATIONS STUDENT PROGRAM

FUNDING. The funds appropriated in the student grant programs line item included in subdivision 1 of section 1 of Senate Bill No. 2003 of the fifty-seventh legislative assembly, include \$400,000 from the general fund for providing grants as authorized in section 1 of this Act, for the biennium beginning July 1, 2001, and ending June 30, 2003."

Renumber accordingly

JB
3-14-1

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1283

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a technology occupations student loan program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Technology occupations student loan program.

1. The state board of higher education shall administer a technology occupations student loan program that encourages college students to pursue technology-based studies, to participate in technology internship programs, and to remain in the state after graduation. The board shall adopt rules to implement the program, including internship requirements, guidelines to determine which technology-related courses of study are eligible under the program, and standards for eligibility.
2. Students of board-approved colleges may apply for the technology occupations student loan program. To be eligible to receive student loan grants under the program, the applicant:
 - a. Must have graduated from a board-approved college;
 - b. Must have successfully completed the board-approved technology-related courses;
 - c. Must have maintained at least a 3.0 grade point average, based on a 4.0 grading system, at a board-approved college;
 - d. Must have actively participated in a board-approved technology internship with a business in the state;
 - e. Must have a student loan with the Bank of North Dakota;
 - f. Following graduation must be employed in the state in a board-approved technology occupation; and
 - g. Must have met and shall continue to meet any requirements established by rule.
3. The state board of higher education shall distribute student loan grants directly to the Bank of North Dakota to repay outstanding student loan principal balances for eligible applicants. The maximum student loan grant amount for which an applicant may qualify is one thousand dollars per twelve months of employment for a maximum of five years.

SECTION 2. TECHNOLOGY OCCUPATIONS STUDENT LOAN PROGRAM

FUNDING. The funds appropriated in the student grant programs line item included in subdivision 1 of section 1 of Senate Bill No. 2003 of the fifty-seventh legislative assembly, include \$400,000 from the general fund for providing grants as authorized in section 1 of this Act, for the biennium beginning July 1, 2001, and ending June 30, 2003."

Renumber accordingly

Date:
Roll Call Vote #:

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1283

Senate	Education	Committee
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☐ Subcommittee on _____

or

☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken adopt amendments 10570.0204

Motion Made By Sen. Cook Seconded By Sen. Christenson

[illegible]

Total (Yes) 6 No 0

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Date: 3
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1283

Senate	Education	Committee
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☐ Subcommittee on _____
or _____

☐ Conference Committee

Legislative Council Amendment Number

Action Taken DEA

Motion Made By Sen. Cook Seconded By Sen. Christenson

[illegible]

Total (Yes) 6 No 0

Absent _____

Floor Assignment Sen. Cook

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1283, as engrossed: Education Committee (Sen. Freborg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1283 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a technology occupations student loan program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Technology occupations student loan program.

1. The state board of higher education shall administer a technology occupations student loan program that encourages college students to pursue technology-based studies, to participate in technology internship programs, and to remain in the state after graduation. The board shall adopt rules to implement the program, including internship requirements, guidelines to determine which technology-related courses of study are eligible under the program, and standards for eligibility.
2. Students of board-approved colleges may apply for the technology occupations student loan program. To be eligible to receive student loan grants under the program, the applicant:
 - a. Must have graduated from a board-approved college;
 - b. Must have successfully completed the board-approved technology-related courses;
 - c. Must have maintained at least a 3.0 grade point average, based on a 4.0 grading system, at a board-approved college;
 - d. Must have actively participated in a board-approved technology internship with a business in the state;
 - e. Must have a student loan with the Bank of North Dakota;
 - f. Following graduation must be employed in the state in a board-approved technology occupation; and
 - g. Must have met and shall continue to meet any requirements established by rule.
3. The state board of higher education shall distribute student loan grants directly to the Bank of North Dakota to repay outstanding student loan principal balances for eligible applicants. The maximum student loan grant amount for which an applicant may qualify is one thousand dollars per twelve months of employment for a maximum of five years.

SECTION 2. TECHNOLOGY OCCUPATIONS STUDENT LOAN PROGRAM

FUNDING. The funds appropriated in the student grant programs line item included in subdivision 1 of section 1 of Senate Bill No. 2003 of the fifty-seventh legislative assembly, include \$400,000 from the general fund for providing grants as authorized in section 1 of this Act, for the biennium beginning July 1, 2001, and ending June 30, 2003."

REPORT OF STANDING COMMITTEE (410)
March 14, 2001 4:29 p.m.

Module No: SR-44-5638
Carrier: Cook
Insert LC: 10570.0204 Title: .0300

Renumber accordingly

2001 HOUSE EDUCATION
CONFERENCE COMMITTEE
HB 1283

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1283-Conference

House Education Committee

☒ Conference Committee

Hearing Date 03-30-01

Tape Number	Side A	Side B	Meter #
TAPE I	x		01 to 800
Committee Clerk Signature <i>Joan Diers</i>			

Minutes: Chairman Brusegaard called the conference committee to order on HB 1283. Present -

Rep Brusegaard, Rep Meier, Rep Hanson, Senator Cook, Senator Flakoll, Senator O'Connell.

This bill started out as an interest buy down bill that originally was to be administered by Job Service and the House moved it over to the Bank of North Dakota. Then the Senate moved it to a loan forgiveness programs administered by Higher Ed. Can some Senator explain the benefits of doing it through Higher Ed and do you have some idea of the status in Appropriation.

Senator Cook: The reason for doing so, our attempt was to connect this closer to an appropriation that the governor had in higher ed, that dealt with the same subject.. Testimony came to us through the LT Governor about the line item appropriation in 2003. That did not have a vehicle in place to carry it. He suggested that this would be a good bill that would allow that. We all agree that there is such a need for such a program, in the testimony he indicated that there are a lot of jobs of concern. Also recognizing that the Bank of North Dakota came with rather a high

fiscal note, to do what they assumed they had to do, to keep this program alive through Higher Ed and eliminate the fiscal note.

Senator Cook: The fiscal note says that for each that for each 1000 students eligible for these benefits we estimate for the biennium 31,000 plus fringe benefits or 63,000, operational costs \$9,600.00. The interest benefits \$139,000.00

Chairman Brusegaard: That was for each 1,000 students, asks for further clarification

Senator Cook: That is what they were using. Our attempt was to meet the need that was out there.

Chairman Brusegaard: I am looking at language is refers to a board approved college, does that restrict this program to only students in public institutions. University of Mary for example is that board approved.

Senator Cook: Mary is approved, and some of our private sector schools are approved.

Senator Flakoll: This bill is not restrictive, it gives the board latitude to set up perimeters and goes on to explain his point.

Chairman Brusegaard: House members do you have any questions.

Rep. Hanson: Did we go through the money part of this.

Chairman Brusegaard: My recollection is that the testimony of the Bank of North Dakota was that they had interest buy down programs already administered by the Bank. But the fiscal note was very high.

Rep. Hanson: Has this been to Appropriations.

Senator Cook: I think that it is over in the House side right now and it would be interesting to see if that line item is there.

Page 3
House Education Committee
Bill/Resolution Number HB 1283
Hearing Date 03-30-01

Chairman Bursegaard: I had asked the same question of the Lt Governor. If you look at Senate bill it states very clearly that the funds to operate the program found here, comes out of a specific line item in the Higher Ed budget. If the Appropriations does not fund that line item then the program is not funded.

Senator O'Connell: I suggest that we wait and see what happens in Appropriations.

Rep Hanson: What is the status of 2003.

Chairman Bursegaard: It is in front of Appropriations right now. I don't like to see a Conference Committee drag out, I think that it wouldn't be a bad idea.

Rep Hanson: I move we adjourn until we find out.

Senator O'Connell: Second.

Chairman Brusegaard: It has been moved and second that we adjourn the conference committee to the call of the chair.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB-1283-conference-b

House Education Committee

☐ Conference Committee

Hearing Date-04-11-01

Tape Number	Side A	Side B	Meter #
TAPE I	x		01 to 282
Committee Clerk Signature <i>Joan Davis</i>			

-minutes: Chairman Brusegaard called the conference committee on HB 1283 to order. Note that all are present. Members on the House floor yesterday, we did pass higher education appropriation bill SB 2003. In section ten it did provide \$400,00.00 for the technology occupation student loan program, authorized in HB 1283. Ergo, I am pleased with Senate amendments and would entertain a motion that the House accede to the Senate amendments.

Rep Meier: Moved the motion.

Senator Cook: Second.

DISCUSSION

Chairman Brusegaard: The clerk will call the roll on the motion - the House accede to the Senate amendments - the motion passes with a vote 6 YES, 0 No and 0 ABSENT. The committee is adjourned.

Date: 4/11/01
Roll Call Vote # 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB-1283

House Education Committee

☐ Subcommittee on _____

or

☒ Conference Committee

Legislative Council Amendment Number _____

Action Taken House accede to Sen amend

Motion Made By Rep Merri Seconded By Sen Cook

[illegible]

Total (Yes) 6 No 0

Absent 

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

REPORT OF CONFERENCE COMMITTEE

HB 1283, as engrossed: Your conference committee (Sens. Cook, Flakoll, O'Connell and Reps. Brusegaard, Meler, Hanson) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ pages 1000-1001 and place HB 1283 on the Seventh order.

Engrossed HB 1283 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE) - 420

07398

(Bill Number) HB-1283 (, as (re)engrossed):

Your Conference Committee

For the Senate:

Sen. Cook
Sen. Flakoll
Sen. O'Connell

For the House:

Chr. Brucegaard
Rep. Meyer
Rep. Hanson

☐ recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)
the (Senate/House) amendments on (S/HJ) page(s) 1000 - 1001

☐ and place 1283 on the Seventh order.

☐ , adopt (further) amendments as follows, and place
_____ on the Seventh order:

☐ having been unable to agree, recommends that the committee be discharged
and a new committee be appointed.

((Re)Engrossed) 1283 was placed on the Seventh order of business on the
calendar.

DATE: 04/11/01

CARRIER: _____

LC NO. _____ of amendment

LC NO. _____ of engrossment

Emergency clause added or deleted _____

Statement of purpose of amendment _____

(1) LC (2) LC (3) DESK (4) COMM.

2001 TESTIMONY

HB 1283

HB 1283 Student Loan Buy down Program
Testimony to the House Education Committee
January 22, 2001
Prepared by: Mary Ekstrom

Good Morning Chairman Kelsch and Education Committee members. My name is Representative Mary Ekstrom. I represent District 11 in South Fargo.

HB 1283 was drafted as a result of discussions in the Interim Information Technology Committee. I served as Vice-Chair of that Committee. We had an opportunity to discuss this proposed legislation with several representatives from Great Plains Software, Sundog Interactive, and Corporate Technologies of Fargo and ComMark (a internet company) from Mayville.

All of these corporations indicated that finding technology workers in North Dakota has been extremely difficult. Nationwide, it has been estimated that there is shortage of workers in this industry of over 800,000.

HB 1283 will provide a student loan interest rate buy down for these workers. We propose that in the first year the interest rate be reduced by 1%. For each additional year that the worker stays in North Dakota and to provide an incentive to stay, the interest rate will be reduced by an additional ½ of 1%. The attached chart shows a typical student loan of average size with an interest rate of 7.59%.

I apologize for the lack of other testimony, given the short notice for this hearing, it was impossible to request the corporate interests to come to this meeting. I have enclosed their letters of support.

The companies I have spoken have said that this would be a useful tool in the recruitment efforts.

On the suggestion of Job Service North Dakota, I have also enclosed an amendment. This amendment changes the administration of these loans from Job Service to the Bank of North Dakota.

I urge a DO PASS from the Committee. I would be happy to answer any of your questions.

Thank you.

Student Loan Interest Comparison

Terms of Original Loan		Monthly Payment	Savings
Interest Rate	7.59%	\$178.76	
Term (months)	120		
Loan Amount	15,000.00		
First Year with HB 1283			
Interest Rate	6.59%	\$171.01	\$92.98
Term (months)	120		
Loan Amount	15,000.00		
Second Year with HB 1283			
Interest Rate	6.09%	\$167.21	\$45.60
Term (months)	120		
Loan Amount	15,000.00		
Third Year with HB 1283			
Interest Rate	5.59%	\$163.46	\$45.00
Term (months)	120		
Loan Amount	15,000.00		
Fourth Year with HB 1283			
Interest Rate	5.09%	\$159.76	\$44.40
Term (months)	120		
Loan Amount	15,000.00		
Fifth Year with HB 1283			
Interest Rate	4.59%	\$156.11	\$43.80
Term (months)	120		
Loan Amount	15,000.00		
Sixth Year with HB 1283			
Interest Rate	4.09%	\$152.51	\$43.19
Term (months)	120		
Loan Amount	15,000.00		
Seventh Year with HB 1283			
Interest Rate	3.59%	\$148.96	\$42.58
Term (months)	120		
Loan Amount	15,000.00		
Eighth Year with HB 1283			
Interest Rate	3.09%	\$145.47	\$41.96
Term (months)	120		
Loan Amount	15,000.00		
Ninth Year with HB 1283			
Interest Rate	2.59%	\$142.02	\$41.35
Term (months)	120		
Loan Amount	15,000.00		
			\$440.86 Total Savings

January 19, 2001

Representative Mary Ekstrom
House of Representatives
Bismarck, ND

Dear Mary,

On behalf of our senior leadership team at Great Plains allow me to express our overwhelming support for HB 1283. This is one more tool that we can use in the very tough technology recruiting market. Great Plains has always been a growth company and the young graduates from our state universities and colleges are critical to our success.

Our recent acquisition by Microsoft is going to put us on an accelerated growth track and that growth will be in Fargo. The timing of your bill could not come at a better time.

As we go through the recruiting process every year we are seeing a significant increase in the number and amount of student loans. Giving student loan assistance is the right strategy at the right time for Great Plains and all the high tech companies in North Dakota.

Mary, I am sorry that we could not be there to testify in person. Most of our team leaders are hosting a major sales conference in Toronto for our partner channel.

Warmest regards,

Don Morton
Assistant to the CEO



"Justin Schardin"
<justin@fargoweb.co
m>

01/18/01 03:33 PM

To: "Mary O. Ekstrom" <mekstrom@state.nd.us>
cc:
Subject: HB 1283 Support

Representative Ekstrom,

I just wanted to write you to express my support for a methodology for allowing high-tech workers in North Dakota to acquire assistance in paying back their student loans.

North Dakota has long faced problems with younger residents leaving the state for higher salaries, more attractive jobs, or even weather. While we cannot do anything about the temperature, there is much else that we can do to give our best and brightest a more attractive set of reasons to stay in North Dakota.

There is also no doubt that high technology is the present and the looming future of the American and world economies. If we do not see to it that its development becomes central to North Dakota's efforts, we will be left far behind in a short period of time. The assistance to expanding businesses and in retention of valuable human capital to North Dakota would dwarf any costs that might be associated with such a plan.

Giving student loan assistance to high-tech workers that remain in-state is a step in the right direction. I do not doubt that it would increase the pool of potential job applicants for a fast-growing, high-tech business like ours.

Sincerely,

Justin Schardin
COO
Sundog Interactive



"Lee Kaldor"
<lee_kaldor@commark.com>

To: "Mary Ekstrom" <mekstrom@state.nd.us>
cc:
Subject: HB 1283 Endorsement

01/20/01 03:25 PM

Mary, I hope this is helpful to you.

Good luck!
Lee

January 20, 2001

The Honorable Mary Ekstrom
State Representative
North Dakota House of Representatives
State Capitol
Bismarck, ND

Dear Representative Ekstrom,

I am happy to endorse your proposed legislation, HB 1283, to buy down the interest rate on student loans for those employed in technology occupations in North Dakota. It represents a step in the right direction for North Dakota in a variety of technologically based fields.

North Dakota has some shining examples of the potential of technology, but we have a long way to go in building our image as a good place for "high-tech" business. Creating strategies to attract technology-based individuals will be a cornerstone in this effort. Companies are not interested in coming here or developing outsource contract relations without a guarantee that an adequate workforce of professionally trained and educated individuals is available here to meet their needs. Your legislation moves our state closer to that goal.

In our company, I would feel safe in saying that everyone of our non-management team is paying on a student loan. A reduction in the interest rate so long as they stay in North Dakota would be a helpful incentive for them to stay here. It may be considered a small piece in the puzzle, but it is a valuable one to consider.

I would earnestly hope that the House Finance and Taxation Committee give favorable consideration to your bill, and give it a "do pass" recommendation.

Thank you for your efforts in growing North Dakota's economic potential.

Respectfully yours,

Lee Kaldor
Operations Director
ComMark, Inc.
701-786-4670
lee_kaldor@commark.com



- Mary Ekstrom letter.doc

HB 1283 Student Loan Buy down Program
Testimony to the Senate Education Committee
March 5, 2001
Prepared by: Mary Ekstrom

Good Morning Chairman Freborg and Education Committee members. My name is Representative Mary Ekstrom. I represent District 11 in South Fargo.

HB 1283 was drafted as a result of discussions in the Interim Information Technology Committee. I served as Vice-Chair of that Committee. We had an opportunity to discuss this proposed legislation with several representatives from Great Plains Software, Sundog Interactive, and Corporate Technologies of Fargo and ComMark (an internet company) from Mayville.

All of these corporations indicated that finding technology workers in North Dakota has been extremely difficult. Nationwide, it has been estimated that there is shortage of workers in this industry of over 800,000.

HB 1283 will provide at student loan interest rate buy down for these workers. We propose that in the first year the interest rate be reduced by 1%. For each additional year that the worker stays in North Dakota and to provide an incentive to stay, the interest rate will be reduced by an additional $\frac{1}{2}$ of 1%. The attached chart shows a typical student loan of average size with an interest rate of 7.59%.

I apologize for the lack of other testimony, given the short notice for this hearing, it was impossible to request the corporate interests to come to this meeting. I have enclosed their letters of support.

The companies I have spoken with have said that this would be a useful tool in the recruitment efforts.

On the suggestion of Job Service North Dakota, I have also enclosed an amendment. This amendment changes the administration of these loans from Job Service to the Bank of North Dakota.

I urge a DO PASS from the Committee. I would be happy to answer any of your questions.

Thank you.

TESTIMONY TO THE
SENATE EDUCATION COMMITTEE

MARCH 5, 2001

HOUSE BILL 1283

JULIE KUBISIAK, DIRECTOR - STUDENT LOANS OF NORTH DAKOTA

Chairman and members of the committee, my name is Julie Kubisiak, Director of Student Loans of North Dakota, which is administered by the Bank of North Dakota.

HB 1283 calls for an interest rate subsidy for persons who are current residents of North Dakota, or have attended an institution of higher education in North Dakota and are employed in a technology occupation in this state which has been designated by Job Service. The Bank of North Dakota supports the concept of assisting student loan borrowers in reducing their debt.

From what we have been able to determine, Job Service has not defined "technology" occupations, and in fact, would likely need to put a great deal of effort into such a definition because of the evolving nature of "technology", nor do they have any idea how many people would be affected.

This bill does not contain a source for funding the program. If the Bank of North Dakota is to be responsible, we are concerned about the level of funding it will require and the impact on future earnings of the Bank.

For each 1,000 students eligible for these benefits, we estimate our costs for the biennium to be:

Labor for 1 FTE (\$31,200 plus 30% fringe benefits)	\$ 63,000
Operations Costs (PC, telephone, postage, etc.)	9,600
<u>Interest Benefits</u>	<u>139,000</u>
Total	\$211,600

Thank you for the opportunity to testify this morning. I'd be happy to answer any of your questions.